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Israel-Tehran connection began with U.S. request

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JERUSALEM — Israel's entanglement in the Iranian affair came about in odd circumstances, almost by chance, on a day in March 1985, in the office of then-Prime Minister Shimon Peres.

On that day, Mr. Peres told his official adviser and decades-long friend, Al Schwimmer, that the U.S. administration had approached him with a request to do something toward helping free CIA man William F. Buckley, who had been kidnapped by the Hezbollah (Party of God) in Lebanon. Mr. Peres asked Mr. Schwimmer for advice and help.

It is not yet clear who made the actual approach: CIA director William J. Casey? National security adviser Robert C. McFarlane on behalf of the president? What is known is that the initial move was an American one.

Two questions were put to Israel: Does Jerusalem know anything solid about possible changes in Iran? And can Israel help in the freeing of hostages? The interest of the American "requester" was at that time focused exclusively on Mr. Buckley. Nothing was said about the other American hostages.

Mr. Schwimmer suggested making use of the services of Yaacov Nimrodi. The two had worked together on a number of international projects and had arranged several meetings between Mr. Peres and Saudi arms dealer Adnan Khashoggi, within the context of Mr. Peres' efforts to find an opening to Saudi Arabia.

Mr. Schwimmer came up with the formula of "arms for Buckley." Mr. Nimrodi flew in from London to meet with Mr. Peres, one of six meetings they held in the course of the deal. (Among them was a meeting two weeks ago in which Mr. Nimrodi handed Mr. Peres all his expenses receipts in an attempt to prove that he took nothing for himself.)

Mr. Peres gave Mr. Nimrodi the green light to translate Mr. Schwimmer's formula into action.

Mr. Nimrodi and Mr. Schwimmer met with Manucher Ghorbanifar, an Iranian businessman living in exile who sells everything from carpets to missiles. A former commander in the shah's Savak secret service, he has ties with the Ayatollah Ruhollah Khomeini's Iran.

The two explained the plan to him. At that time, the talk was about disguised Israeli arms. Mr. Ghorbanifar suggested that the arms be transferred to Iran without monetary payment but in return for Mr. Buckley alone — a proposal Israel rejected.

Mr. Ghorbanifar arrived in Israel secretly and personally selected the items needed by Iran. It was as if he were shopping in a supermarket, someone said later: "Give me 50 of this, 25 of that. . . ."

A date was set for the shipment. The Israeli markings were removed from the equipment, and the crates were painted over. A leased ship arrived at the port of Eilat to carry the goods.

Mr. Schwimmer kept Mr. Peres updated.

On the eve of the loading of the material aboard ship, an urgent phone call came from Mr. Ghorbanifar: Tehran had changed its mind. Iran didn't need Israeli arms, it wanted only American weaponry — 200 TOW missiles in exchange for Mr. Buckley.

The truth is that no one knew at that time that Mr. Buckley was no longer alive. The Iranians deceived not only Mr. Nimrodi but also, perhaps, Mr. Ghorbanifar.

[Mr. Buckley, 57, of Medford, Mass., was kidnapped in Beirut on March 16, 1984. The State Department announced Nov. 8, 1985, that it assumed Mr. Buckley was dead. The date or circumstances of his death have never been explained.]

Mr. Nimrodi shelled out \$300,000 from his own pocket to lease the ship. Mr. Peres gave his okay for the TOW deal, and it was at this stage that Defense Minister Yitzhak Rabin entered the picture.

Informed about the deal, he strongly objected. Given the tense state of affairs with adversary Syria, he said, it would be madness to send TOW missiles to Iran.

Mr. Nimrodi suggested to Mr. Rabin that they begin the deal with an "advance" of 100 missiles, and then see the reaction.

Mr. Rabin said he was willing to consider this idea under two conditions:

□ That payment (\$3.5 million) be made in advance.

□ That Mr. McFarlane, then U.S. national security adviser, write and sign a letter stating that the deal was being done with his concurrence and that the United States would re-

supply Israel with the 500 TOW missiles that were being sent to Iran.

It was at this stage that then-Foreign Minister Yitzhak Shamir was brought into the picture. David Kimche, of the Israeli government, and Mr. Schwimmer went to Washington and received a "cover" letter from Mr. McFarlane, along with a

commitment that within a month Israel would get back the same number of missiles it sent to Iran. At the end of August 1985, Mr. Rabin gave his final consent.

Israeli officials dealing in such matters were not pleased with the deal. They objected in substance — since at that time their assessment was that Iran had no control over the Hezbollah — and also to the involvement of Mr. Nimrodi, Mr. Schwimmer and their middlemen, who were described as adventurers.

Mr. Peres, guided by the U.S. administration's approach regarding the fate of Mr. Buckley, was a consistent supporter of the "adventure." Subsequently, the Defense Ministry also gave its backing.

It is not clear whether this came as a result of a desire to accede to Washington's request, or to the hope that the day would come when Israel could once more export to Iran, as it did in the halcyon days of the shah's rule: to the tune of \$500 million a year.

At all events, when the U.S. request was received "in the name of the president," no discussion of principle was held in the inner Cabinet, and it is doubtful the upper echelon of the government considered all the possible ramifications entailed in the shipment of arms to Iran.

Mr. Schwimmer leased a plane, with Mr. Nimrodi again footing the transportation bill (\$250,000), and 100 TOW missiles were sent on their way. Not one hostage was released.

"What do you want?" Mr. Ghorbanifar asked in an angry phone conversation.

"We agreed on 500, and you sent 100. Do you want the Iranians to send an arm and a leg of Mr. Buckley's as an advance?"

This argument got an under-standing ear in Israel. Within an hour of the arrival of the rest of the missiles, and to universal surprise, the American clergyman, the Rev. Benjamin Weir, was released, but not Mr. Buckley. That was on Sept. 14, 1985.

Into Mr. Nimrodi's bank account went \$5 million, and following deductions for expenses (more than \$1 million) the money was transferred to Israel. It is not clear whether Israel paid the United States for the TOW missiles or kept the money.

Mr. Schwimmer and Mr. Nimrodi say they received no commission. The release of the clergyman led President Reagan to thank Mr. Peres effusively in a phone call, and Mr. Peres passed on the gratitude of the nation to Mr. Schwimmer and Mr. Nimrodi.

In the meantime, the Pollard affair — in which an American, Jonathan Jay Pollard, and his wife were accused of spying for Israel — broke, and it's possible that Mr. Peres wanted even more strongly to do something for Mr. Reagan. Now also it was clear that Iran controlled the Hezbollah.

The next stage began: to try to obtain the release of the five remaining hostages by Christmas.

The Iranians were now asking for 80 improved-Hawk missile batteries in return for all the hostages.

Mr. Peres gave his okay. However, this time the deal was worth \$20 million, and Mr. Nimrodi didn't want to take the risk of laying the money on the line. So the Saudi businessman, Mr. Khashoggi, was brought into the picture, and he made contact with the Iranian deputy prime minister.

Also in the picture were several senior Defense Ministry officials: Haim Carmon, his deputy, the director-general, and Yehuda el-Bokher, Mr. Nimrodi's top operations man.

As planning for the deal got under way, it became clear that no more than 18 Hawk missile batteries could be transported on the type of plane that had been leased.

In one of the preparatory conversations — it later emerged that this was a crucial talk — Mr. el-Bokher heard that Defense Ministry personnel were whispering about sending Iran Hawk missiles of the old variety.

Mr. Schwimmer, according to his associates, was angry and upset after hearing about this, and he warned the Defense Ministry personnel not to do it because it would sabotage the entire operation.

The plane lands at Tehran. The Iranians are furious at receiving old Hawks. Mr. Ghorbanifar is panicky, thinking he's been the victim of a

scam. The plane's pilots are imprisoned.

Mr. Schwimmer calls the Defense Ministry's director-general and demands that the Iranians be given their money back. "We've been treated like dirt," Mr. Schwimmer is heard to shout. The money is returned. The plane returns — but without the Hawks.

Later, this episode will serve as the backdrop for the removal of Mr. Schwimmer and Mr. Nimrodi from the deal.

Mr. Nimrodi and Mr. Schwimmer come up with a new idea: instead of the Hawks, 4,000 TOW missiles in return for the release of all the hostages. Mr. Nimrodi goes to Mr. Peres, but he seems hesitant. Nor does Mr. Rabin want to hear about these kinds of numbers.

By now it's already January 1986. Mr. Kimche passes the suggestion on to Mr. McFarlane, and Mr. Nimrodi sets up a meeting for him with Iranian representatives as well as a visit to Iran. In Mr. Nimrodi's apartment, Mr. McFarlane tells the Iranians: release the hostages and you'll get what you want.

Mr. Nimrodi goes to Mr. Peres with the tidings, but Mr. Peres suddenly gives him the cold shoulder: it's best that Israel not be involved.

This conversation generates a spate of urgent international phone calls. Mr. Schwimmer gets on the line from New York to Mr. Peres and hears from him that since Mr. McFarlane no longer holds an official position, it would be a good idea to add to the team Amiram Nir, an

Israeli who has reportedly cultivated unique relations at the White House.

Mr. Peres doesn't explicitly distance Mr. Nimrodi and Mr. Schwimmer, and they get the impression that henceforth they will be working with Mr. Nir.

They give Mr. Nir all the material, the recordings of conversations, but most important they arrange for him to meet with Mr. Khashoggi and Mr. Ghorbanifar.

From here, Mr. Nir says, according to those present, I am going straight to the president of the United States.

But when he gets to Washington, he severs all contact with Mr. Schwimmer. Just before boarding the plane to return to Israel, he calls Mr. Schwimmer and tells him, in a general way, that he "had good talks."

Mr. Schwimmer is very angry for being cut out. In a stormy clarification meeting with Mr. Peres, Mr. Nir says the Americans don't want mediators, but he doesn't reveal that he's already been in touch with Mr. Nimrodi's contact men.

At this meeting Mr. Nimrodi charges that Mr. Peres' military aide, Azriel Nevo, took part in a London meeting with Mr. Khashoggi and an Iranian dealer without Mr. Peres' knowledge.

A loud argument. Mr. Nir shouts: "What, am I on trial here?"

Mr. Ghorbanifar, who knows which side of the bread the butter is on, apologizes to Mr. Nimrodi, and says after a meeting he held with Mr. Nir that the Israelis threatened to put a bullet in his head if he didn't cooperate. Mr. Nimrodi tells Mr. Schwimmer: "Peres is screwing you."

Mr. Schwimmer doesn't believe him. When he accompanies Mr. Peres to the U.S. and sets up a meeting among Mr. Peres, Vice Adm. John M. Poindexter, head of the National Security Council, and himself, the meeting is twice canceled with transparent excuses.

Mutual recriminations begin to fly. The 18 Hawks that disappeared in Iran are not forgotten. Suspicions are raised about a side deal.

Mr. Nir and Mr. Rabin meet for a talk on the deal with Admiral Poindexter. Four thousand TOW missiles are transferred to Israel — something that has obviously been sanctioned at the highest level of the administration.